

WILLIAM V. ROTH OF DELAWARE
WILLIAM S. COHEN MAINE
ORRIN HATCH UTAH
FRANK MURKOWSKI ALASKA
ARLEN SPECTER PENNSYLVANIA
CHIC HECHT NEVADA
MITCH MCCONNELL KENTUCKY

CLYDE DURENBERGER TEXAS
SAM MURKIN GEORGIA
THOMAS F. EAGLETON MISSOURI
ERNEST F. HOLLINGS SOUTH CAROLINA
DAVID L. BOREN OKLAHOMA
BILL BRADLEY NEW JERSEY

ROBERT DOLE KANSAS EX OFFICIO
ROBERT C. BYRD WEST VIRGINIA EX OFFICIO

BERNARD F. McMAHON STAFF DIRECTOR
ERIC D. NEWSOM MINORITY STAFF DIRECTOR

United States Senate

SELECT COMMITTEE ON INTELLIGENCE

WASHINGTON DC 20510

Executive Registry	
85-	3078/3

#85-2695

copy 4

August 2, 1985

The Honorable Robert C. McFarlane
Assistant to the President for
National Security Affairs
The White House
Washington, D.C. 20500

Dear Bud:

The Chairman has asked me to let you know what the Intelligence Committee is doing in its review of counter-intelligence and security programs in order to help us keep the Executive and Legislative branch efforts on parallel tracks during the August recess.

At the Senatorial level, we have held closed hearings on the Walker case and its impact, the situation regarding the U.S. Embassy in Moscow, and the nature of the hostile intelligence service threat. Senator Durenberger, in addition to writing the President, also sent a letter to Senators Roth and Eagleton (with a copy to the Minority Leader) showing how we are pursuing the Senate's interest in these matters, which was so forcefully demonstrated in the debate and vote on Senator Byrd's proposal of a National Commission. A copy of those letters is enclosed for your information.

The Committee and its staff have moved quickly and carefully to improve our own security programs, so that we and the Senate as a whole will also meet the security challenge. We are establishing a focal point for security clearance requests, regularizing our own compartmentation of sensitive information, and developing the role of our press officer to help each of our Members avoid unintentional disclosures of classified information. The Committee is also becoming an important provider and facilitator of defensive briefings, office sweeps and security advice for Members and staffers not on the Committee.

At the staff level, several of us have been getting briefings from senior officials and experts on all the CI and security programs and issues. Our intent has not been to act like a National Commission that spends months

CONFIDENTIAL

The Honorable Robert C. McFarlane
 August 2, 1985
 Page Two

CONFIDENTIAL

re-inventing the wheel, but rather to pick the brains of the many specialists who are working hard to improve the system. We have found a wealth of already defined issues and thoughtful proposals. We plan to examine them next month to see which ones we might jointly want to push with the Executive branch while the issues remain politically salient. The Committee's understanding is that the Executive branch would cast a similarly wide net in its own examination of proposals, while also taking action to implement those proposals on which there is already basic agreement.

At least a half dozen major studies seem worthy of our joint, serious consideration. The 1982 CCIS study for the DCI of Capabilities Against the Hostile Intelligence Threat, 1983-1988 remains a useful starting point, even though progress has been made in many of the areas covered by the wide-ranging report. The most recent National Assessment of Hostile Intelligence Services Threat and U.S. Countermeasures includes an up-to-date and cogent listing of problems in this field.

More focused and detailed studies that have proposals to examine include the Inman panel's recommendations on electronic and physical penetration of U.S. diplomatic facilities; the DoD Industrial Security Review Committee Report (the "Harper Panel" report); the Bross Commission recommendations on CI training needs; the recommendations of the Permanent Subcommittee on Investigations ("Nunn-Roth") on information and personnel security; the recommendations on overclassification of the latest report of the Information Security Oversight Office; and even the recommendations of the Senate Select Committee on Intelligence in its classified report on the FY 1986 Intelligence Authorization Act.

We are also aware of other studies and sets of recommendations that we have not yet seen in full text. These include the SIG-I proposals; the NSDD-84 Personnel Security Options and Recommendations forwarded by the Attorney General; the IG-CM study of countermeasures macro resources; Dr. Ruth Davis's study of computer security; and the Intelligence Research and Development Council study of R&D to Counter the Foreign Intelligence Threat. We hope to be able to review these materials, with your assistance if necessary.

CONFIDENTIAL

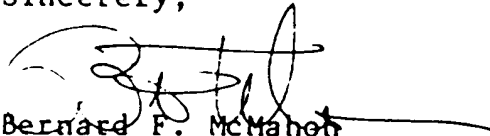
The Honorable Robert C. McFarlane
August 2, 1985
Page Three

The Stilwell Commission, with which we are pleased to have such good relations, will also have important recommendations. And, undoubtedly, there will be other self-generated issues on both sides in addition to those highlighted by all these commissions and panels. Thus, we have noted some quiet but serious calls for better CI personnel and operations in both CIA and the FBI; more NSA assistance to CI elements; legislation on physical searches; and an overall policy structure that has some focal point and locus of accountability to bring coherence to the CI/CM field.

The Committee was very pleased to hear that the NSPG, including the President himself, will address these issues on August 7. The Chairman still feels strongly that a high-level commitment to action and to close coordination with the Committee would be most helpful in dissuading Congress from taking actions that would be cathartic but counterproductive. He also believes that our combined efforts offer the best hope for both legislative progress and the removal of bureaucratic roadblocks to needed improvements in CI and security programs.

This effort, to tackle such important and sensitive issues with the resources and wisdom of the Executive branch in cooperation with those of an Intelligence Committee and Senate that are clearly eager to be of help to the Nation, is rare and exciting. If we can jointly succeed, we may set a precedent for cooperative examination of a whole host of future issues -- issues of the very sort that, in the past, have so often led to squabbles, leaks, and stagnation. The Committee recognizes the significance of this venture and will work to make it one of which we can all be proud.

Sincerely,


Bernard F. McMahon
Staff Director

BFM:rn

Enclosures •

CONFIDENTIAL